

**Illinois Department of Revenue
Regulations**

Title 86 Part 100 Section 100.7340 Correction of Underwithholding or Overwithholding (IITA Section 704)
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TITLE 86: REVENUE

**PART 100
INCOME TAX**

Section 100.7340 Correction of Underwithholding or Overwithholding (IITA Section 704)

- a) Underwithholding. If, as a result of underwithholding, a return is filed for a return period under this section and less than the correct amount of tax required to be deducted and withheld is reported on the return and paid to the Department, the employer shall report and pay the additional amount due by reason of the underwithholding on a return for any period in the calendar year in which the underwithholding occurred. An explanation must be attached to the return for the period in which the undercollection is corrected.

- b) Overwithholding. If an employer deducts and withholds more than the correct amount of tax for a return period under this section and does not repay the overcollection before the time for filing the required return for the period and before the end of the calendar year, he must include the overcollection on the return required to be filed for the period in which the overcollection occurred. If the overwithholding is discovered in a subsequent return period under this section and within the same calendar year of the overwithholding, the employer may correct the error on a return to be filed for a period within the same calendar year if the amount of the overcollection is repaid during that period. An explanation must be attached to the return on which the error is corrected. Any repayment of an amount of overwithholding must be substantiated by a receipt from the employee showing the date and amount of repayment and kept as a part of the employer's records. (See 86 Ill. Adm. Code 100.7080(b) for methods of repayment.)